

Be Woods Wise Bulletin



“Current Use” Property Taxation

Maine has several programs, such as Tree Growth, under which property is taxed according to how it's currently used – not its fair market value.



Funding is provided by the
USDA Forest Service's
Forest Stewardship Program

MAINE DEPARTMENT OF
CONSERVATION
MAINE FOREST SERVICE
FOREST POLICY AND
MANAGEMENT DIVISION
We help you make informed decisions about
Maine forests



WELCOME TO THE **BE WOODS WISE BULLETIN**,

a quarterly newsletter published by the **Maine Forest Service (MFS)** to connect Maine landowners with information about their forests, and with the resources – people, new publications, events, etc. – they need to make informed choices about their woodlands.

Be Woods Wise supports and encourages landowner stewardship. **Stewardship** means protecting and improving a whole range of resources – recreation, wildlife habitat, woodland aesthetics, forest health, soil and water resources, wood or other forest products. Stewardship means meeting your needs as landowner while sustaining natural resources for the future.

Be Woods Wise and other MFS landowner assistance efforts are supported by grants through the USDA Forest Service's **Forest Stewardship Program**, the USDA Forest Service's Forest Land Enhancement Program, and other sources.

TREE GROWTH TAX LAW – TIME TO RECERTIFY YOUR LAND?

Tree Growth – also known as the Maine Tree Growth Tax Program – is Maine's “current use” tax program for forestland. The program is administered by town assessors and the Maine Revenue Service's Property Tax Division. “Current use” means that enrolled land is valued according to its ability to grow trees for commercial use, rather than according to its fair market value. This can result in a significantly reduced property tax bill for enrolled landowners.

Tree Growth is a beneficial program for landowners who intend to manage their land for the long term for commercial forest products. In exchange for reduced property valuation, landowners commit to having a Forest Management Plan prepared, following the plan, and having a licensed forester certify that they are following the plan.

Maine Forest Service provides assistance and education about the Tree Growth Program, but does not have role in administration of the program.

Landowners should be aware of some very important requirements:

1) Land enrolled in Tree Growth has to be “recertified” every ten years.

- **Could this be your year to update your plan and recertify?**

2) In addition, when Tree Growth land is purchased, inherited, or otherwise acquired, new landowners must re-enroll within 1 year of the date of transfer. Landowners may not harvest timber until they have had a new forest management plan prepared or adopted a previous but still valid plan, and re-enrolled).

- **Have you acquired or inherited forest land in recent years?**

Why is this important? Because Tree Growth forest land that no longer complies with the program – including failure to recertify or to re-enroll on time– must be withdrawn from the program by the town (or Maine Revenue Services for land in unorganized territory), with potentially significant monetary penalties to the landowner. Withdrawal can occur even if you were not the owner at the time the land was first enrolled, because Tree Growth status “runs with the land” – it does not end when land changes hands. There is NO requirement that the town notify you before withdrawing your land and assessing a penalty (though some do).

What should you do? If you have not tracked your forest management activities consistently over the years, you can avoid significant cost and aggravation by taking a few simple steps now:

- First, determine if your land is enrolled in Tree Growth (if you're not sure).
- If yes, locate the Forest Management Plan and, if available, a copy of the most recent Tree Growth Application that was submitted. (Other property tax records are helpful.)
- Determine when the deadline for your re-enrollment or re-certification is.
- Contact your consulting forester, or the Maine Forest Service, for assistance in submitting required information to the town.

If you have questions about Tree Growth, Maine Forest Service will try to answer them, or refer you to Maine Revenue Services (which oversees the program). Please call your MFS District Forester or MFS Augusta at 1-800-367-0223.

APRIL 1ST TREE GROWTH DEADLINE – NEW ENROLLMENTS FOR 2006

If you are considering enrolling forest land in Tree Growth for the first time, for the 2006 property tax year, the deadline for submitting the Tree Growth Application/Schedule for Classification to the town is April 1st, 2006. Information submitted after that date may not be considered until the 2007 tax year.

With your application, you must submit

- a map of the parcel identifying the acres you are enrolling
- a statement that you have completed and are following a Forest Management and Harvest Plan.

In practice that means that landowners should contact a consulting forester well in advance of the April 1st deadline for assistance in preparing a plan and submitting the documentation to the town. *Due to their typical workloads, foresters may not be able to assist landowners who wait until the final weeks before the deadline.*

For more information about the Tree Growth Program, please contact MFS.



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SOURCES

Maine has 75+ native tree species and an estimated 21.6 billion trees – the most abundant species are:*

Balsam fir (35% of all trees)
Red maple (12%)
Red spruce (9%)
Paper/white birch (6%)
Yellow birch (4%)
Beech (4%)
Popple/Aspen (4%)
Northern white cedar (4%)
Sugar maple (3%)
Eastern hemlock (3%)

Maine's state tree, the Eastern White Pine, has about 2% of the total trees of the state.

**Source:
Forests of Maine 2003
(Table A6: Number of live trees 1.0+ inches dbh on forestland).*

BE WOODS WISE
informs, involves, assists, and provides incentives for Maine landowners managing their woodlands through application of forest stewardship principles.

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If you have received multiple copies of this newsletter, or would prefer not to receive future mailings, please let us know.

NEW PUBLICATIONS AND SOURCES

Forest taxation:

Tax Tips for Forest Landowners for the 2005 Tax Year. This brief information sheet, published by USDA Forest Service, provides an overview of essential information and changes.

Federal Income Tax on Timber: A Key to Your Most Frequently Asked Questions. A 23-page document outlining some of the most common situations and questions faced by landowners. Also from the USDA Forest Service.

National Timber Tax Website: www.timbertax.org. A cooperative effort of USDA Forest Service and Purdue University Cooperative Extension Service, this site covers a wide range of topics related to forest ownership, timber transactions, other forest income tax, estate taxation, and others.

Tree Farmer magazine: This bimonthly magazine for Tree Farm members & subscribers carries a regular column by noted forest taxation expert Bill Hoover.

Landowner resources:

Small Woodland Owner's Handbook. This recently published guide covers numerous topics of interest to woodland owners, from planning to taxation to harvesting, in a readable and easy to use format. Published by Small Woodland Owners Association of Maine (SWOAM); order form/cost information available at their website, www.swoam.org.

Diameter Limit Cutting and Silviculture in Northeastern Forests: A Primer for Landowners, Practitioners and Policymakers. This recent publication addresses not only the problems of diameter limit cutting, but also provides a very helpful discussion of silvicultural systems and forms of timber harvesting that can help achieve a landowner's objectives. Authored by Dr. Laura Kenefic of the University of Maine, and Dr. Ralph Nyland of the State University of New York's College of Environmental Science and Forestry.

Maine's Forests:

Forests of Maine 2003. A joint effort of Maine Forest Service and the USDA Forest Service, Forest Inventory and Analysis Unit. The results of 5 years of forest inventory data are gathered in this publication, presenting the most current and comprehensive information on Maine's forests.

Forests On the Edge. An analysis by USDA Forest Service of the impacts of population growth on forests in the eastern US – with some surprising projections for Maine.

To locate any of the above publications, visit the MFS website or call MFS.

WOODSWISE COST-SHARE PROGRAM – FOREST STEWARDSHIP MANAGEMENT PLANS

MFS offers financial incentives to eligible woodland owners to develop Forest Stewardship Management Plans. Landowners must apply and be pre-approved. Program details, application forms, eligibility & other requirements are available at www.state.me.us/doc/mfs/fpm/wwwi/wwwi.htm/, or from MFS's Augusta office.

EVENTS

There are many events of interest to woodland owners, as well as foresters, loggers, etc., sponsored by Maine Forest Service and others. For more information or additional listings, call MFS or go to: www.state.me.us/doc/mfs/fpm/calendar/calendar.shtml.

Working with Your Woodlot

Several MFS District Foresters offer introductory workshops on a variety of topics.

Maine Maple Sunday – March 26th

A family event that highlights one of Maine's favorite forest products.

Leonards Mills Woodsmans Day – April 29th

Experience the history of Maine's forest communities – as well as the forests of today.

Small Woodland Owners Association of Maine

SWOAM's meetings and outings are a great way to learn and meet other landowners.

If you know of an event for the calendar, please contact MFS.